

MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY, APRIL 9, 2019
6:00 P.M.**

The Town Council of the Town of Chino Valley met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, April 9, 2019.

1) CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Croft called the meeting to order at 6:02 p.m. and led the Pledge of Allegiance.

Present: Mayor Darryl Croft; Vice-Mayor Jack Miller; Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Corey Mendoza; Councilmember Annie Perkins; Councilmember Lon Turner

Staff Present: Town Manager Cecilia Gritman; Town Attorney Andrew McGuire (electronically); Town Clerk Jami Lewis (recorder); Finance Director Joe Duffy; Community Services Director Scott Bruner; Public Works Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Planner Alex Lerma; Administrative Technician Kathy Frohock (videographer)

Mayor Croft called the meeting to order at 6:02 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a) Proclamation declaring April 2019 as *Fair Housing Month*.

Mayor Croft read the proclamation declaring April 2019 as *Fair Housing Month* in Chino Valley.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

4) RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

- a) Status reports by Mayor and Council regarding current events.
- b) Status report by Town Manager Cecilia Grittmann regarding Town accomplishments, and current or upcoming projects.

Ms. Grittmann reported on:

- Public outreach meetings regarding the Special Election;
 - Cancelling the April 16 study session and moving the item to the May study session; and
 - Recruitment for Town boards and committees.
- c) Presentation regarding the May 21, 2019 Special Election Ballot Question related to water system acquisition. (Cecilia Grittmann, Town Manager)

Public Works Director/Town Engineer reported that:

- Chino Valley had five water companies within the Town limits: Appaloosa Meadows, Chino Meadows II Water Company, Town of Chino Valley, City of Prescott, and Wilhoit Water.
- A March 2000 special election authorizing the Town to engage in the public utility business passed, but a lawsuit ruled that a special election had to specifically name the property or system being acquired.
- The upcoming special election ballot question specifically named each water company the Town may acquire in the future.

Town Clerk Jami Lewis then reviewed important election dates for the public.

6) CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

- a) Consideration and possible action to accept the March 19, 2019 study session meeting minutes. (Jami Lewis, Town Clerk)

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Lon Turner to accept Consent Agenda item 6a.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

7) ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a) Consideration and possible action to approve Resolution No. 2019-1136 decreasing the Town's wastewater fees, effective July 1, 2019. (Joe Duffy, Finance Director)

Recommended Action: Approve Resolution No. 2019-1136 decreasing the Town's wastewater fees, effective July 1, 2019.

Mr. Duffy reported that:

- The Town's goal was to have a wastewater fee that was near the Arizona average within five years. The average Chino Valley customer paid \$102 for water and sewer while the average Arizona customer paid \$81. The Town's neighbors were at \$100 per month, which was where the Town would be with a rate decrease.
- Historically, the Council adopted a water and wastewater five-year rate increase schedule in 2013. Council froze the sewer rate increase to \$64.14 per month in 2015. Without the freeze, the fee would be \$79.02 per month. Council modified the rate schedule for multi-family homes in 2017 and decreased the wastewater rate to \$62.14 in 2018.
- The number of connections had grown substantially as had the number of multi-family connections; and the borrowed money from the General Fund for wastewater expenses had been fully paid back.
- Staff proposed to decrease the fee by 3.4% to \$60.00 per month, which would still provide an annual positive cash flow of \$300,000.

Council asked for further details. Mr. Duffy related that:

- Staff believed that as other communities raised their rates and the Town lowered theirs, the Town's rates would eventually be the middle. To reach the five-year lower rate goal, staff planned to decrease it \$2.00 per year.
- The WIFA loan required a separate repair and replacement fund. The Town had approximately \$700,000 in that fund to cover unexpected emergencies.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Mike Best to approve Resolution No. 2019-1136 decreasing the Town's wastewater fees, effective July 1, 2019.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

- b) *Continued from March 26, 2019:* Consideration and possible action regarding a proposed modification to the Town's Tax Code to increase the transaction privilege tax rate for manufactured housing sales. (Joe Duffy, Finance Director)

Recommended Action:

- (i) Set a public hearing for June 11, 2019, on the proposed modification to the Town's Tax Code to increase the transaction privilege tax rate for manufactured housing sales,
- (ii) Adopt the Notice of Intent, and
- (iii) Direct staff to take all steps necessary related to the Council's action.

Mr. Duffy reported that:

- Manufactured homes had a special category that allowed a different tax rate than other retail sales. Council reduced the tax on manufactured homes from four percent to two percent in 2016.
- Gross receipts for manufactured homes since 2015 had increased due to the overall housing increase and the lower tax rate. There were now five manufactured home dealers within the Town limits.
- In 2015, more units were purchased outside, but installed within, the Town limits, so the Town did not receive the sales tax on those units. After the tax reduction, more units were bought within the Town limits than those exported outside the Town limits, which brought more tax dollars to the Town.

He then reviewed the process if Council were to proceed.

Council and Staff discussed the following:

- The positive effect of the two percent tax rate.
- The importance of increased jobs for the Town from the manufactured home businesses, although there were no specific numbers for those statistics.

MOVED by Vice-Mayor Miller to: (i) Set a public hearing for June 11, 2019, on the proposed modification to the Town's Tax Code to increase the transaction privilege tax rate for manufactured housing sales, (ii) Adopt the Notice of Intent, and (iii) Direct staff to take all steps necessary related to the Council's action.

Due to lack of a second, the motion FAILED.

- c) *Continued from March 26, 2019:* Consideration and possible action to approve a Conditional Use Permit (CUP19-001) for 12.35 acres (approximately 535,788 sq. ft.) of real property located approximately 0.25 miles east of the southeast corner of North Road 1 West and West Road 4 North at 683 West Road 4 North, Assessor's Parcel Number 306-14-003S, to allow the existing single family residential use within the CL (Commercial Light) zoning district. (Owner of Record: Donald K. Cox and Catherine Cox) (Alex Lerma, Planner)

*RECOMMENDED ACTION: REMOVE ITEM AND TAKE NO ACTION.

Mr. Lerma requested that Item 7c be withdrawn.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Mike Best to remove item and take no action.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

9) ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

10) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Mike Best to adjourn the meeting at 6:35 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously


Darryl L. Croft, Mayor

ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 9th day of April, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of April, 2019.


Jami C. Lewis, Town Clerk